

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2559 – HB 2869

February 12, 2010

SUMMARY OF BILL: Defines “average weekly wages” of an employee as the actual weekly earnings plus the average of any overtime earnings and bonuses actually paid to the employee. Defines “earnings” as anything received by an employee under terms of the employment contract or contract of hire from which the employee realizes economic gain. Authorizes any terms of agreement between the employer and employee to be classified as an “employment contract” or “contract of hire” and does not require a written document. Authorizes the use of a similar position’s average weekly wages when the employee’s average weekly wages cannot be determined.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$142,500/Risk Management Fund

Assumptions:

- According to the Department of Treasury, the State paid a total of \$10,474,300 in disability and death payments in FY08-09.
- According to the Department of Treasury, an increase of 1.36 percent is estimated as the average increase for all claims under the revised definition of average weekly wage.
- The total increase in recurring state expenditures is estimated to be \$142,500 from the Risk Management Fund ($\$10,474,300 \times 1.36\%$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director

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